



**US Army Corps
of Engineers®**

Omaha District

PUBLIC NOTICE

Application No: NWO-2011-01063-MTH

Applicant: Montanore Minerals Corporation

Waterway: Un-named Streams and Wetlands

Issue Date: December 16, 2011

Expiration Date: February 14, 2012

60-DAY NOTICE

Helena Regulatory Office

10 West 15th Street, Suite 2200

Helena, Montana 59626

**JOINT PUBLIC NOTICE
FOR PERMIT APPLICATION SUBMITTED TO
U.S. ARMY CORPS OF ENGINEERS
AND
MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY**

The application of Montanore Minerals Corporation (MMC) for approval of plans and issuance of a permit under authority of the Secretary of the Army is being considered by the District Engineer, U.S. Army Corps of Engineers (Corps), Omaha, Nebraska. **The project described herein is not being proposed by the Corps, but by the applicant; the Corps will evaluate the proposed work to determine if it is permissible under current laws and regulations.**

Description of Proposed Project: The applicant anticipates mining up to 120 million tons of ore to recover approximately 1,000,000,000 pounds of copper and 139,000,000 ounces of silver from underground deposits in northwestern Montana. MMC requests permission to develop an underground copper and silver mine and electric power transmission line within the Kootenai National Forest (KNF). MMC has applied for a Section 404 permit to place fill material in conjunction with construction of the mine and ancillary facilities. Specifically, the underground mine's ancillary surface facilities would result in the discharges of fill material into waters of the United States. The surface access, tailings storage facility (TSF), and road improvements are examples of surface facilities that would be located outside of the Cabinet Mountain Wilderness (CMW) area within the KNF. **Drawings showing the location and extent of the project are attached to this notice.**

The applicant's Section 404 permit application is for Alternative 3, the Agency Mitigated Poorman Impoundment Alternative as described in the 2011 Supplemental Draft Environmental Impact Statement (SDEIS). The electric power transmission line alternatives, which are Alternatives C, D, and E, were revised to avoid effects on private land. The preferred electric power transmission line alternative is Alternative D-R, the Miller Creek Alternative. **The 2011 SDEIS is available for viewing at the Kootenai National Forest and the Montana Department of Environmental Quality web sites (<http://www.fs.usda.gov/kootenai/> & <http://deq.mt.gov/eis.mcp#MontanoreSDEIS>).**

The project would consist of mine-related components of Alternative 3, including: the existing evaluation adit (the tunnel); an underground mine; a mill; three additional Libby adits and portals; a tailings storage facility (impoundment); access roads; an electric power transmission line; and a rail load-out facility. The mine would be developed in phases: the evaluation phase (years 1-2); construction phase (years 3-5); and operational phase (years 6-24). After completion of mining and operations (year 24), a closure phase of decommissioning and reclamation would occur.

The Poorman TSF would cover 608 acres. The primary (tailings) dam would eventually be 10,300 feet long and 360 feet high at its maximum dimensions. The applicant would discharge fill material for road construction and facilities within the Poorman TSF. The mine tailings would be transported from the mill through a pipeline to the Poorman TSF located between Little Cherry and Poorman Creeks. The TSF project site is designed to hold 120

million tons of mine tailings. The Poorman TSF berm, starter dam, and saddle dam would consist of 2.7, 1.7, and 0.73 million cubic yards of fill material, respectively. When all work is completed, the primary (tailings) dam and impounded tailings will remain as permanent features.

Fill material for road improvements would be discharged to aquatic areas to construct and widen Bear Creek Road 278 and Libby Creek Road 231. Thirteen miles of Bear Creek Road to the Poorman TSF site would be upgraded and paved to 26 feet. The existing 14-foot wide Bear Creek Bridge would be replaced and widened to 26 feet. A new bridge crossing Poorman Creek would be constructed upstream of the existing crossing.

Impacts: An estimated 11,949 linear feet of jurisdictional stream channel would be impacted by fill material at the Poorman TSF. Up to 12.2 acres of wetlands would be affected, but not all wetlands are regulated under the Federal Clean Water Act. Approximately 8.8 acres of jurisdictional (i.e., Federally regulated) wetlands would be filled. About 8.6 acres occur within the footprint of the Poorman TSF and will be filled, and 0.2 acre occurs along the Bear Creek Road between the Poorman TSF and U.S. 2. The remaining 3.4 acres of wetlands are not regulated under the Federal Clean Water Act.

Several non-wetland waters of the U.S. flow to Libby Creek. Six springs associated with wetlands and other waters of the U.S. occur in the Poorman TSF, and one spring is located south of the Libby Plant Site. Wetlands occur at road crossings on both Ramsey and Poorman Creeks. Roads not associated with the Poorman TSF would affect 0.2 acre of jurisdictional wetlands. The stream crossings Ramsey, Poorman, and Bear Creeks would be bridged and would not affect wetlands or other waters of the U.S. Discharges at the Poorman TSF, Libby Plant Site, and at stream crossings would fill 3.4 acres of isolated, non-jurisdictional wetlands. Several wetlands are located south of the Poorman TSF. These wetlands would not be filled by the tailings, but are within the disturbance area and would be filled by access roads or other project facilities. Indirect effects on wetlands, springs and seeps may occur during mine dewatering. Wetlands are found adjacent to a channel below the southeast section of the dam. The channel flows off of the site, onto private property. Three intermittent channels without wetlands are found below the dam. If these wetlands and other waters of the U.S. were not filled, the pump-back well system would reduce groundwater levels in the impoundment area and probably reduce or eliminate the hydrologic support for the wetlands. Flow in the intermittent channels would be eliminated. No springs or seeps are below the Poorman TSF.

Fill discharged into wetlands and other waters of the U.S. would eliminate populations of aquatic organisms within the Poorman TSF. Construction of stream crossings for transmission line access roads would require the discharge of small amounts of fill into aquatic habitat.

Indirect impacts are predicted to be: declining water levels from the Poorman TSF pump-back wells; reduced ground and surface water flows in channel segments (other waters of the U.S.), WUS-1, WUS-5, WUS-3, and WUS-14; decreased flow in upper Libby Creek above the Libby Adit during the Evaluation through Closure Phases; increased flow in Libby Creek below the Libby Adit during all phases except the Operations Phase; reduced flow in Ramsey Creek during the Construction through early Post-Closure Phases; reduced flow in Libby Creek when the pump-back wells are operating; reduced flows in lower Poorman Creek during Operations through the Post-Closure Phases; and alteration of the watershed area of Little Cherry Creek, which would increase by 644 acres (44%). As part of the final closure plan, the applicant would complete a hydraulic and hydrologic analysis of the proposed diversion channel based on the final mine plan and submit it to the lead agencies and the Corps for approval. The average annual flow in Libby Creek between Poorman Creek and Little Cherry Creek would decrease by 3 percent as result of the diversion of runoff to Little Cherry Creek. The project would also reduce stream flow in East Fork Rock Creek and East Fork Bull River during the Evaluation through early Post-Closure Phases. When groundwater levels reached steady state conditions in approximately 1,300 years the flows in upper East Fork Rock Creek above Rock Lake would remain permanently reduced. Mitigation would reduce post-mining effects to the East Fork Rock Creek and Rock Creek, and slightly reduce flow in the East Fork Bull River. Stream flow in East Fork Rock Creek and Rock Creek below the lake would return to pre-mine conditions or increase slightly.

Cumulatively, the proposed Montanore Mine and proposed Rock Creek Mine projects occurring concurrently would cumulatively reduce flows in the Rock Creek and East Fork Bull River watersheds, resulting in habitat loss downstream of Rock Lake and St. Paul Lake, including during the bull trout spawning period. Cumulative reductions in stream flow in Libby Creek, East Fork Rock Creek, Rock Creek, and East Fork Bull River during the various mining phases would decrease the amount of available aquatic habitat, and reduced flows may have effects

on water temperature or other habitat characteristics. Upper Libby Creek below the Libby Adit would have an increase in stream flow and would increase the amount of aquatic habitat. Increased concentrations of some metals, total dissolved solids, and nutrients as a result of permitted discharges during all phases except Operations would occur in the Libby Creek drainage.

Location: The proposed project is located in a mountainous area approximately 18 miles south of the community of Libby, Montana. Access to the mine would be via U.S. 2 and Bear Creek Road 278. The proposed project is located within USGS Hydrologic Unit Code 17010101 – Upper Kootenai River watershed, in numerous Sections of Township 28 North, Range 31 West, in Lincoln County, Montana.

Purpose: The purpose of the project is to mine copper and silver.

Background: In late 1980, Noranda Minerals proposed the Montanore Mine. In 1990, the Corps issued Noranda Minerals a Section 404 permit. Noranda eventually abandoned the project and ceased work at the Libby Creek Adit site. In 2002, mining interests were conveyed to MMC. The Section 404 permit was not conveyed. The Montana Department of Environmental Quality (MT DEQ) operating permit was not terminated, and in 2004 MMC approached the KNF with their plan for development of the Montanore Mine.

The KNF and the MT DEQ are responsible for preparation of the Environmental Impact Statement (EIS). The agencies neither support nor oppose the Montanore Mine project. The public and agencies commented on the 2009 Draft Environmental Impact Statement (DEIS), and in response to comments, the agencies produced the current SDEIS. Water quality and water quantity were the main issues addressed in the SDEIS. The KNF and the MT DEQ have, as part of the SDEIS, revised the agencies' alternatives for mine development and operation.

Mitigation: Avoidance, Minimization and Compensatory Mitigation: The Montanore Mine proposal continues to be reviewed under NEPA with the Corps participating as a Cooperating Agency. In 2009, the DEIS included an alternatives analysis that identified Alternative 4, the Mitigated Little Cherry Creek Impoundment Site (the Little Cherry Creek area) as the preferred disposal site for the mine tailings. Targeting additional avoidance and minimization of impacts to wetlands and other waters of the U.S., that 2009 alternatives analysis was subsequently revised; in the recently released SDEIS, Alternative 3, the Agency Mitigated Poorman Impoundment site (the Poorman Creek area) was identified as the preferred disposal site, further avoiding and minimizing adverse impacts to aquatic areas. In terms of avoidance of aquatic impacts, under Alternative 4 about 8,000 feet of Little Cherry Creek would be directly affected by fill; by contrast Alternative 3 would not affect such a large, named stream. Alternative 4 would impact about 36 acres of Section 404 jurisdictional wetlands and other waters of the U.S., while Alternative 3 impacts would be about 9 acres. In terms of total acres impacted (aquatic and non-aquatic), Alternative 4 would impact 2,254 acres and Alternative 3 would impact 2,011 acres.

The Poorman TSF would be designed to hold waste tailings and prevent them from entering the environment. Although the design is conceptual, the design would be based on future information obtained during the design process. Because the waste would be stored in perpetuity, the TSF would need to be constructed to permanently prevent leakage into the area's ground and surface water, preclude any type of catastrophic failure, and prevent any wind-blown dust from mobilizing. Because construction and operations are occurring over a number of years, the applicant has agreed to implement an adaptive management approach to adjust and improve the mine, facilities, and further avoid and minimize impacts.

The lower Libby Plant Site was selected because it would not affect wetlands or waters of the U.S., would avoid effects to riparian areas, would consolidate the disturbances associated with the adits and plant in the Libby Creek drainage, and would allow the creation of more core grizzly bear habitat.

Impacts to wetlands and other waters of the U.S. would occur by backhoes, excavators, and front-end loaders. The applicant has agreed to implement best management practices (BMPs) to minimize erosion and sediment release in the construction areas. BMPs would include diversion ditches, berms, silt fences, sediment traps/ponds, straw bales, and interim site reclamation.

As previously stated, the electric power transmission line alternative was revised to avoid effects on private land and is currently Alternative D-R, Miller Creek.

A Section 404(b)(1) Guidelines document was prepared by the applicant and provided to the Corps and includes measures of avoidance, minimization, and compensation. The applicant has committed to implementing additional avoidance and minimization measures during final project design.

The applicant has submitted a draft conceptual compensatory mitigation plan. The mitigation plan describes on-site and off-site compensatory mitigation for impacts to jurisdictional and non-jurisdictional wetlands and jurisdictional non-wetland waters of U.S. The proposed on-site and off-site mitigation includes: establishment of wetlands; enhancement and preservation of existing ecosystems (restoration of degraded wetlands); and mitigation for impacts to non-wetland stream channels. The mitigation plan focuses on establishment of wetlands and restoration of other wetlands at four on-site areas and one off-site area. Mitigation measures are proposed to offset adverse impacts to waters of the U.S. All compensatory mitigation is proposed within HUC 17010101 (Upper Kootenai River).

The Swamp Creek site is the primary wetland compensatory mitigation project proposed by the applicant. The site consists of 67 acres along U.S. Highway 2, approximately 15 miles southeast of Libby, Montana, and 4 miles east of the proposed mine site. Wetlands and other waters of the U.S. lost as a result of the project occur at the Poorman TSF, Libby Adit sites, Bear Creek Road, and road segments to the Libby Plant and Libby Adit sites.

Twelve stream enhancement or restoration projects and riparian planting along seven streams or channels are proposed as compensatory mitigation to replace the biogeochemical functions of the channels that would be impacted by the Poorman TSF. They include creating a channel from the reclaimed Poorman TSF to Little Cherry Creek, increase flow in Little Cherry Creek, reconfigure the Poorman TSF channel remnants, evaluate potential for habitat restoration or enhancement in Poorman Creek, replace culvert where Road 278 crosses Poorman Creek, remove bridge where Road 6212 crosses Poorman Creek, replace culvert where Road 6212 and Road 278 crosses Little Cherry Creek, stabilize Little Cherry Creek sediment sources, construct formidable wood structures in the Libby Creek floodplain, identify the source of elevated fish tissue metal concentrations in Bear Creek, install head-Gates in tributary channels to Swamp Creek, exclude livestock from the Swamp Creek property, plant riparian vegetation where beneficial along streams and channels in the project area, and include the Swamp Creek Site.

401 Water Quality Certification: The MT DEQ will review the proposed project for State water quality certification in accordance with the provisions of Section 401 of the Clean Water Act. The certification, if issued, will express the State's opinion that the project undertaken will not result in a violation of applicable water quality standards. Although water quality certification is a prerequisite for issuance of a permit, certification alone does not guarantee a Department of Army permit will be issued for the project under Section 404. A Section 404 permit will not be issued until water quality certification has been issued or waived by the MT DEQ. The MT DEQ hereby incorporates this public notice as its own public notice and procedures by reference thereto.

Cultural Resources: The District Engineer, U.S. Army Corps of Engineers, Omaha, Nebraska, will comply with the National Historic Preservation Act of 1966, as amended. We will evaluate input by Indian Tribes, the Montana State Historic Preservation Officer, and any interested parties in response to this public notice. The initial determination is that the project would not affect properties listed, or eligible for listing, on the National Register of Historic Places.

Threatened / Endangered Species: In compliance with the Endangered Species Act, the proposed project is being reviewed for impacts to federally listed threatened or endangered species and their critical habitat. The Kootenai National Forest has determined that the project may affect, and is likely to adversely affect, grizzly bears; may affect, and is likely to adversely affect Canada lynx; may affect, and is likely to adversely affect bull trout; and may affect, and is likely to adversely affect designated bull trout critical habitat. Endangered Species Act compliance would be through Section 7 consultation. The Kootenai National Forest submitted a biological assessment to the U.S. Fish and Wildlife Service that describes the potential effect on threatened and endangered species. After review of the biological assessment and consultation, the U.S. Fish and Wildlife Service will issue a biological opinion. That biological opinion has not been completed at the time of issuance of this Public Notice.

Evaluation Factors: The decision whether to issue a permit will be based on an evaluation of the probable impacts, including cumulative impacts, of the proposed activity on the public interest. That decision will reflect the national concern for both protection and utilization of important resources. The benefits which reasonably may be expected to accrue from the proposed activity must be balanced against its reasonably foreseeable detriments. All factors which may be relevant to the proposal will be considered, including the cumulative effects thereof; among those are conservation, economics, aesthetics, general environmental concerns, wetlands, historic properties, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shoreline erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership and, in general, the needs and welfare of the people. In addition, the evaluation of the impact of work on the public interest will include application of the Guidelines promulgated by the Administrator, Environmental Protection Agency, under authority of Section 404(b) of the Clean Water Act (40 C.F.R.; Part 230).

Comments: The District Engineer, U.S. Army Corps of Engineers, Omaha, Nebraska, is soliciting comments from the public; Federal, state, and local agencies and officials; Indian Tribes; and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the District Engineer to determine whether to issue, modify, condition, or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above. Comments are used pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the proposed activity. All public notice comments will be considered public information and will be subject to review by the applicant.

Any person may request, in writing and within the comment period specified in this notice, that a public hearing be held for the purpose of gathering additional information. Requests for public hearings must be identified as such and shall state specifically the reasons for holding a public hearing and what additional information would be obtained. **The request must be submitted in writing to the U.S. Army Corps of Engineers, 10 West 15th Street, Suite 2200, Helena, Montana 59626-9705.** If it is decided that additional information is required and that a public hearing will be held, interested parties will be notified of the date, time, and location.

Any interested party (particularly officials of any town, city, county, state, or Federal agency; Indian tribe; or local association whose interests may be affected by the work) is invited to submit to this office written facts, arguments, or objections on or before the expiration date listed on the front of this notice. Any agency or individual having an objection to the work should specifically identify it as an objection with clear and specific reasons. **All replies to the public notice should be addressed to the U.S. Army Corps of Engineers, 10 West 15th Street, Suite 2200, Helena, Montana 59626-9705.** Please reference Application Number NWO-2011-01063-MTH in all correspondence or inquiries. Mr. James L. Winters may be contacted for additional information, and can be reached by phone at (701) 220-6152 or (701) 250-4280, or by e-mail at montanore@usace.army.mil.

How to Provide Comments: Anyone whose interests may be affected by the proposal is invited to submit written comments to the U.S. Army Corps of Engineers, Omaha District, Helena Regulatory Office. Comments, both favorable and unfavorable, will be made a part of the record and will receive full consideration in subsequent actions on this application. Comments must be submitted in writing on or before the date on the front of this notice to be considered in subsequent actions on this application, or postmarked on or before the closing date. Comments may be submitted by mail to 10 West 15th Street, Suite 2200, Helena, Montana 59626-9705; by e-mail to montanore@usace.army.mil; or by fax to (406) 441-1380. Comments postmarked after the expiration date of this public notice, or received by fax or e-mail after the closing date, will not be considered. Comments left on voicemail system will not be considered.

Statutory Authorities: A permit, if issued, will be under the provisions of Section 404 of the Clean Water Act.

Attachments: Location map; project impact maps; typical plan drawings; representative photographs of affected aquatic resources.

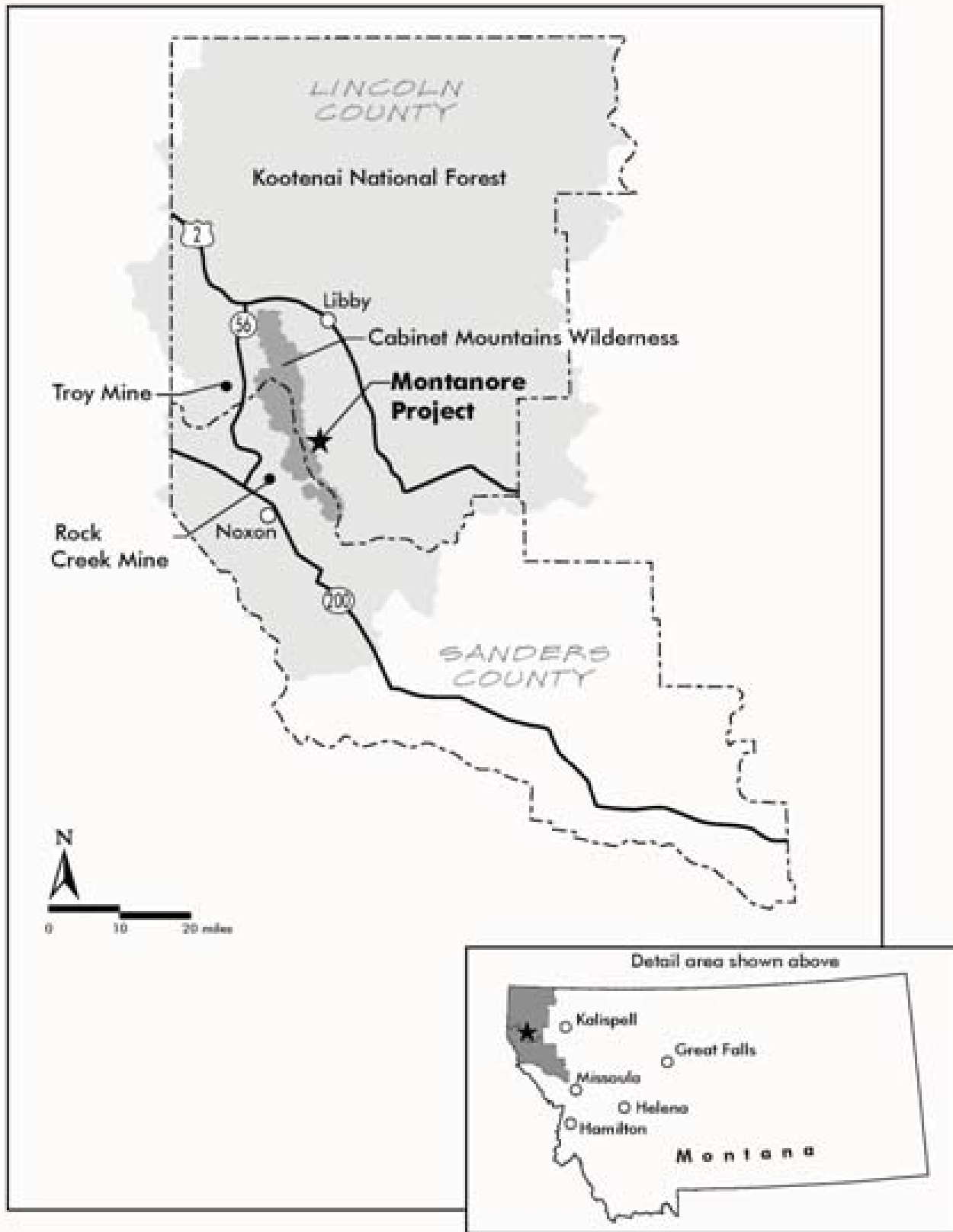


Figure 1. Location Map, Montanore Project, Kootenai National Forest.

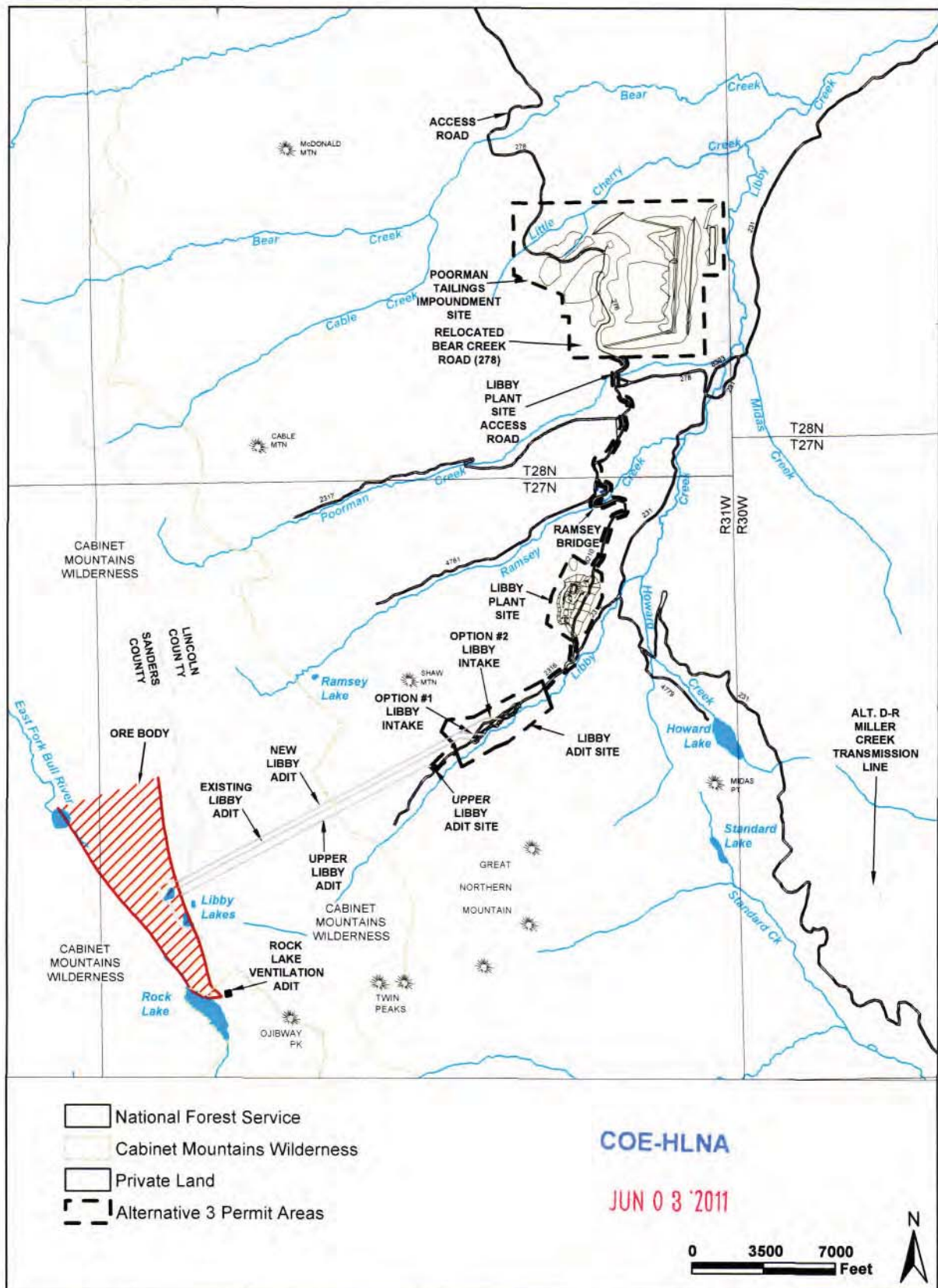
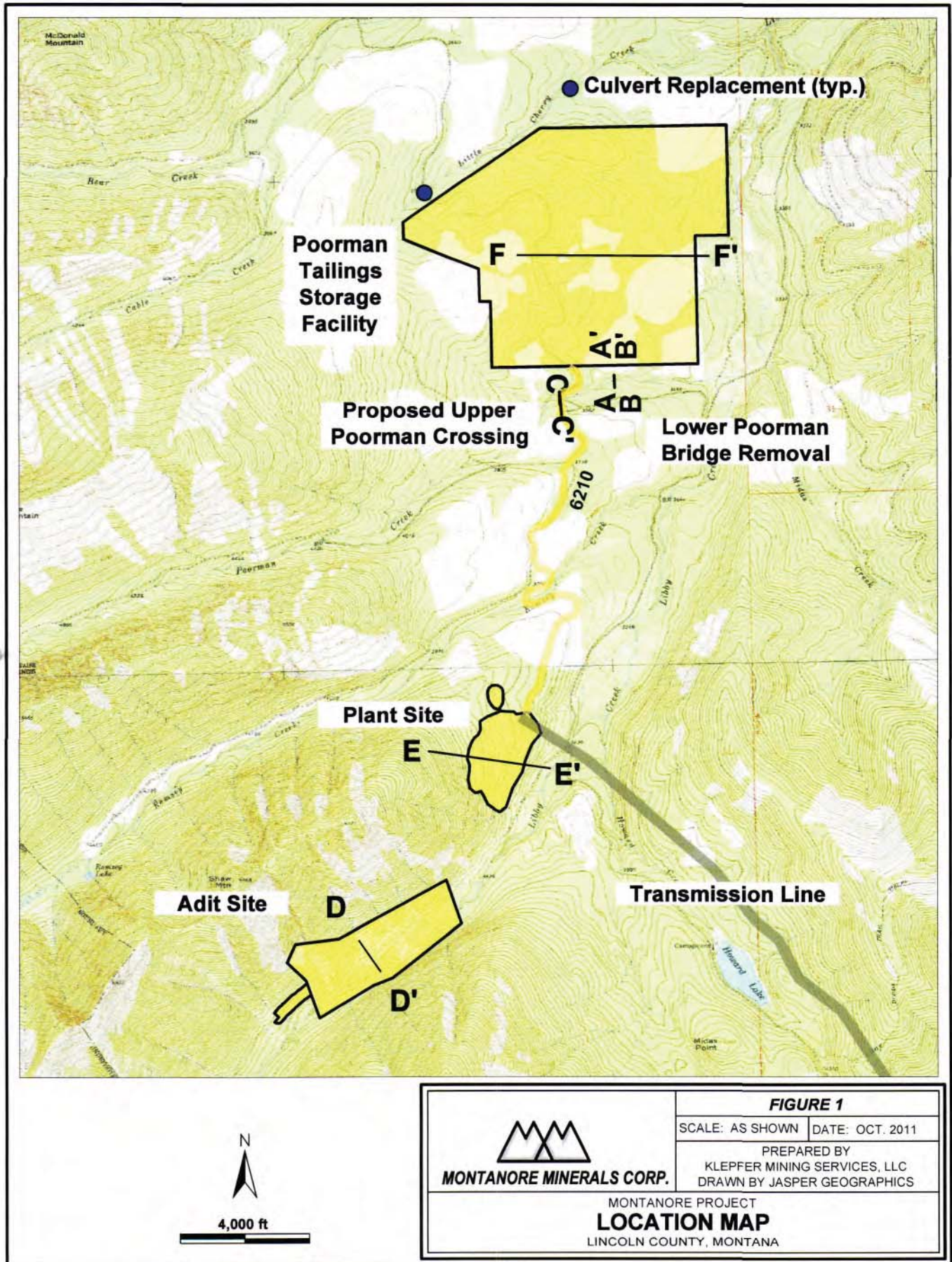


Figure 1. Mine Facilities and Permit Areas, Alternative 3



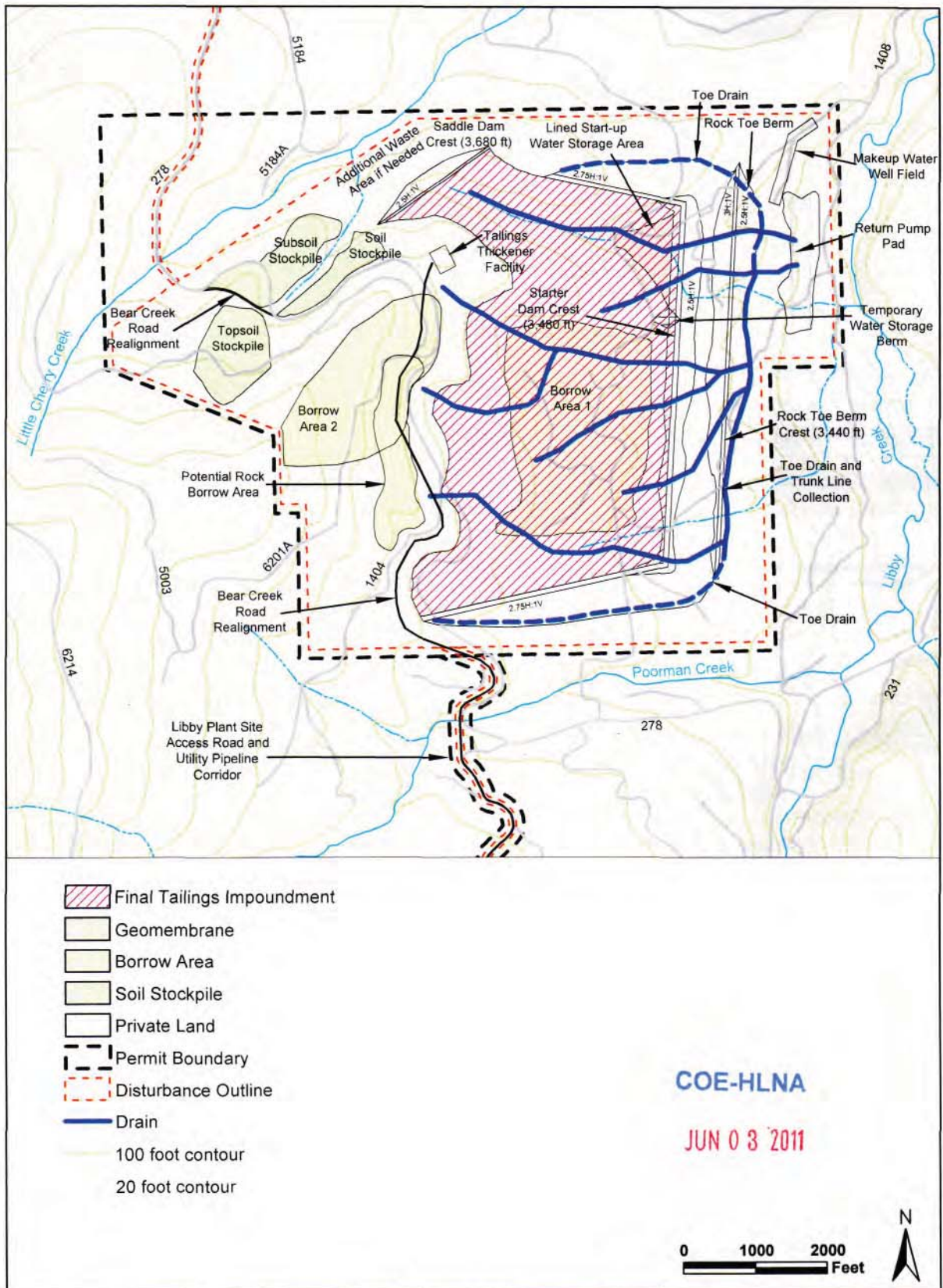
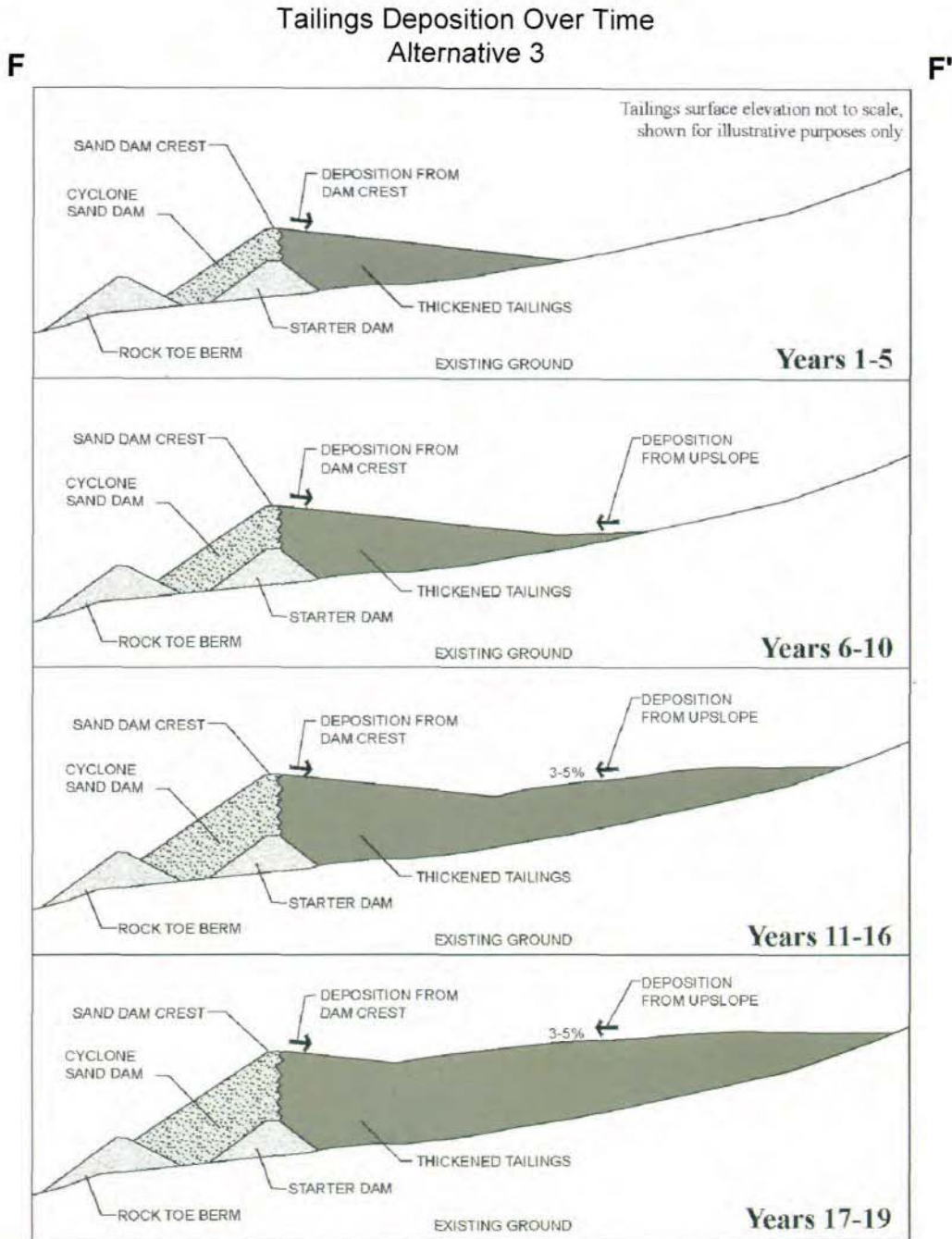
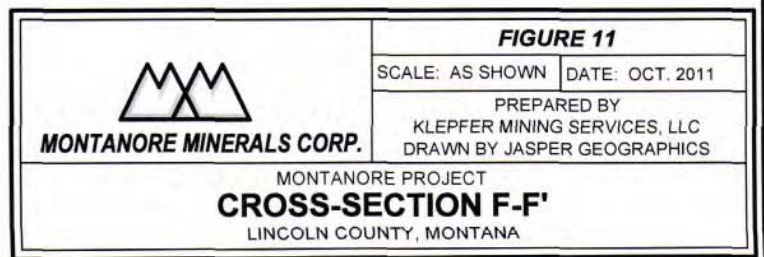


Figure 2. Poorman Tailings Impoundment, Alternative 3



Modified after Figure 29, Draft EIS



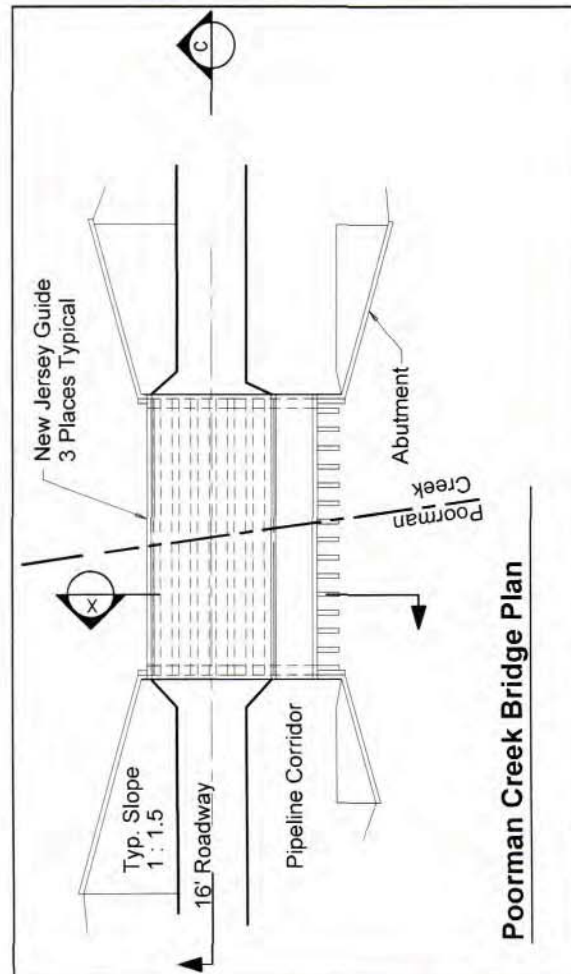
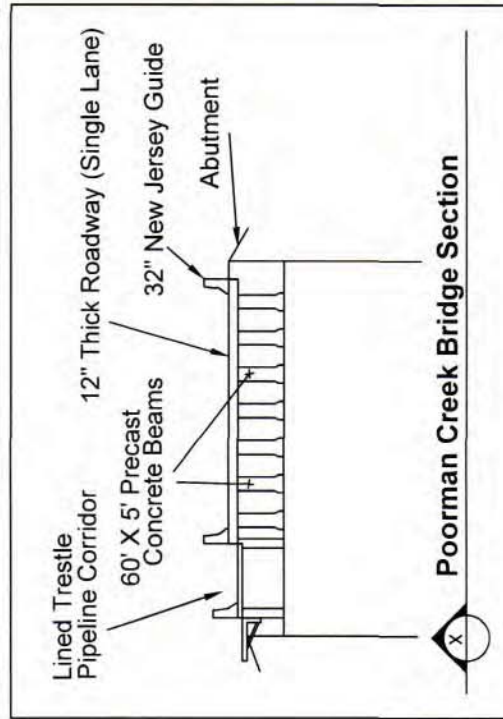
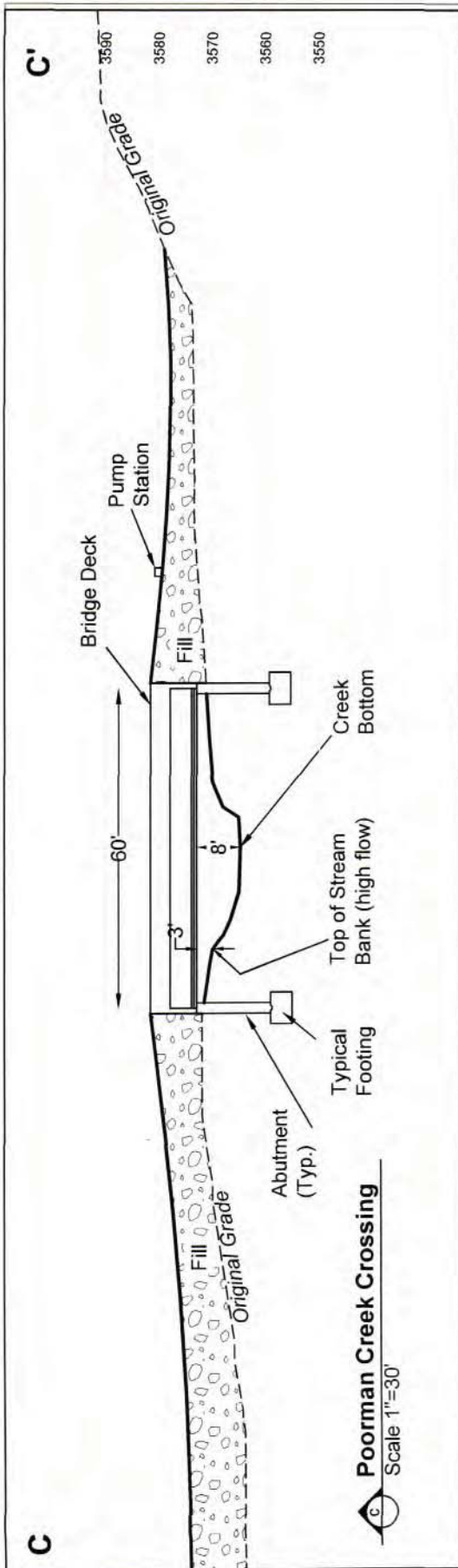


FIGURE 9

SCALE: AS SHOWN | DATE: OCT. 2011

PREPARED BY
KLEPPER MINING SERVICES, LLC
DRAWN BY JASPER GEOGRAPHICS

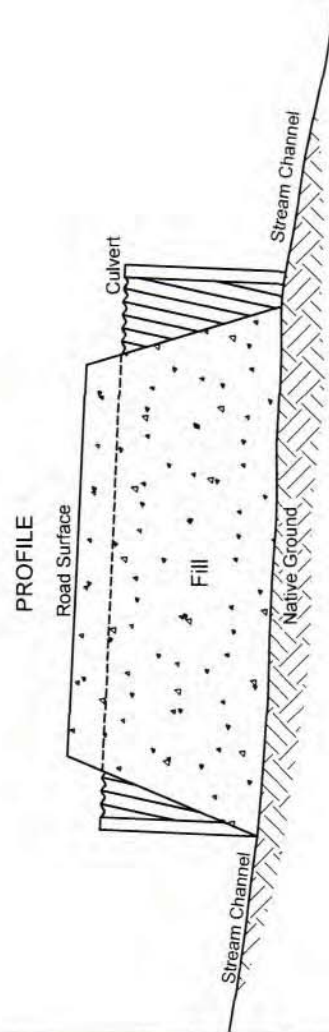
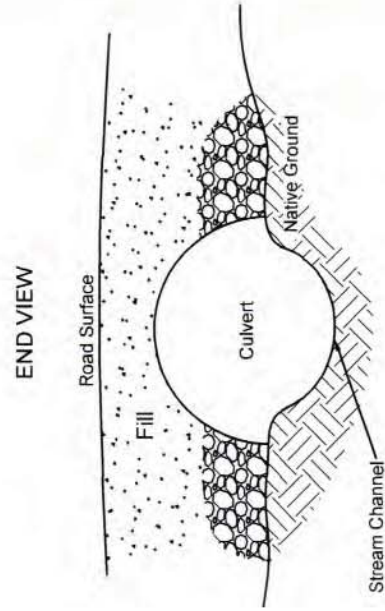


MONTANORE MINERALS CORP.

MONTANORE PROJECT

TEMPORARY BRIDGE PLAN & SECTION
LINCOLN COUNTY, MONTANA

Culvert Replacement with Arched Culverts



Design Criteria

- 1) Improve or create stream bed habitat (substrate)
- 2) Size culvert for flows and debris
- 3) Maintain proper stream depth for fish passage
- 4) Eliminate plunge situations

FIGURE 7

SCALE: AS SHOWN DATE: OCT. 2011

PREPARED BY

KLEPPER MINING SERVICES, LLC
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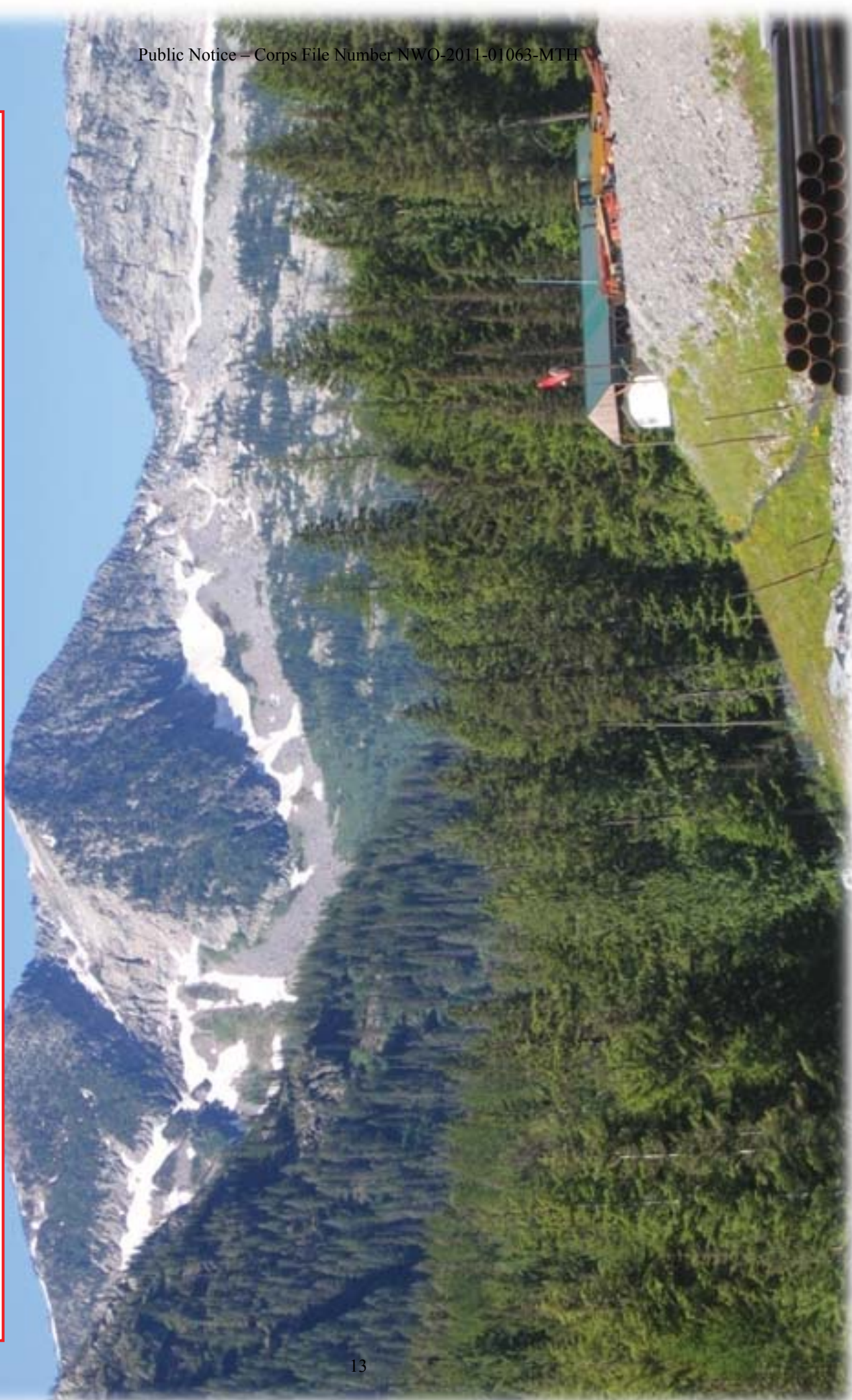
MONTANORE PROJECT

TYPICAL CULVERT REPLACEMENT
LINCOLN COUNTY, MONTANA



MONTANORE MINERALS CORP.

View of adjacent wilderness area; Libby Adit (tunnel) site is in the foreground



Typical stream channel area - will be covered by Tailing Storage Facility

06/11/2009 14:01

Typical Wetland filled by Tailing Storage Facility - would be covered by 200 ft to 300 ft deep tailings.

